

Minutes of the New Jersey Health Care Facilities Financing Authority meeting held on January 28, 2010 on the fourth floor of Building #4, Station Plaza, 22 South Clinton Avenue, Trenton, New Jersey.

The following **Authority Members** were in attendance:

Gus Escher, Public Member; Ulysses Lee, Public Member (via telephone); Suzette Rodriguez, Public Member (via telephone); Maryann Kralik, Designee of the Commissioner of Banking and Insurance; William Conroy, Designee of the Commissioner of Health and Senior Services; and Eileen Stokley, Designee of the Commissioner of Human Services.

The following **Authority staff members** were in attendance:

Mark Hopkins, Steve Fillebrown, Jim Van Wart, Lou George, Suzanne Walton, Bill McLaughlin, Edwin Fuentes, Carole Conover, Michael Ittleson, Marji McAvoy, Diane Johnson, Wanda Lewis, Ron Marmelstein, Arvella King, Stephanie Bilovsky, and Osato Chitou (intern).

The following **representatives from State offices and/or the public** were in attendance:

Heather Howard, former Commissioner of Health and Senior Services; and Cliff Rones, Deputy Attorney General.

CALL TO ORDER

Vice Chairman Gus Escher called the meeting to order at 10:07 a.m. and announced that this was a regular meeting of the Authority, held in accordance with the schedule adopted at the May 28, 2009 Authority meeting. Complying with the Open Public Meetings Act and the Authority's By-laws, notice of this meeting was delivered to all newspapers with mailboxes at the Statehouse, including *The Star-Ledger* and the *Courier Post*, enough in advance to permit the publication of an announcement at least 48 hours before the meeting.

NEW MEMBER INTRODUCTION

Mr. Escher introduced the Authority's newest Public Member, Suzette Rodriguez, who is an associate at LeClairRyan specializing in discrimination, harassment and retaliation. She is a Deputy Regional President for the Hispanic National Bar Association and President-Elect for the Hispanic Bar Association of New Jersey. She also serves on the Advisory Board of the New Jersey Legal Education Empowerment Project. As a member of both the New York and New Jersey State Bar Associations, she currently resides in Perth Amboy. Mr. Escher welcomed Ms. Rodriguez. She replied stating that she looks forward to working with the Authority.

APPROVAL OF MINUTES

December 17, 2009 Authority Meeting

Minutes from the Authority's December 17, 2009 meeting were presented for approval. Ms. Stokley offered a motion to approve the minutes; Mr. Conroy seconded. Mr. Escher voted yes, Ms. Rodriguez abstained, Ms. Kralik voted yes, Mr. Conroy voted yes, and Ms. Stokley voted yes. The minutes were approved.

NEGOTIATED SALE REQUEST

Princeton HealthCare System

Mr. Hopkins stated that Princeton HealthCare System (“Princeton”) signed a Memorandum of Understanding with the Authority to undertake a tax-exempt financing for approximately \$355 million. The proceeds of the financing will fund the relocation of Princeton’s University Medical Center at Princeton, including the construction and equipping a replacement 269-bed hospital and parking facility in Plainsboro, as well as miscellaneous capital expenditures and capitalized interest on the bonds. Proceeds would also refinance interim taxable loans, which were used to (i) defease Princeton’s 1998 Authority bonds, (ii) finance the acquisition of the replacement hospital’s site, and (iii) finance the beginning stages of construction. Finally, proceeds will also cover the cost of issuance, and fund a debt service reserve fund and possibly capitalized interest.

Princeton estimates that the total cost of the project will be approximately \$495 million. The difference between the project cost and total bond proceeds will be funded from an equity contribution that Princeton has available from cash on hand, philanthropic contributions and the sale of assets.

Princeton is a New Jersey not-for-profit corporation which currently operates an academic medical center in downtown Princeton. The Authority has issued several series of bonds on behalf of Princeton, all of which have been defeased or are no longer outstanding.

According to the consolidated audited financial statements provided with the Memorandum of Understanding, Princeton generated an excess of revenues over expenses of approximately \$712,000 for 2008 and an excess of revenues over expenses of approximately \$19.4 million for 2007. Unaudited information for Princeton through November 2009 shows operating income of approximately \$12.8 million, continuing its recent history of positive results of operations.

Princeton asks that the Authority permit the use of a negotiated sale based on: (i) the sale of a complex or poor credit; (ii) the sale of a complex financing structure including those transactions that involve the simultaneous sale of more than one series with each series structured differently; (iii) volatile market conditions; (iv) large issue size; and (v) the expected use of variable rate debt. These reasons are justifications for the use of a negotiated sale under the Authority’s Executive Order #26 policy. Therefore, staff recommended approving the use of a negotiated sale and the forwarding of a copy of its justification to the State Treasurer.

After performing a competitive process, Princeton selected Merrill Lynch as Senior Managing Underwriter for the bonds. Princeton also received approval from the Attorney General’s office to have Windels, Marx, Lane & Mittendorf serve as bond counsel on the transaction.

Mr. Conroy asked if there had been any analysis of competition for services now that Capital Health has reported plans to enter the market area. Mr. Fillebrown noted that such analysis is not included in the current projections, to which Ms. Walton added that a discussion on this exact subject matter is planned for a conference call with the hospital that afternoon. She noted that when Princeton submitted its initial MOU, Capital hadn’t yet revealed any intentions to enter that market area. She also added that Princeton has stated that its primary market area would not be affected by Capital’s entry.

In response to a question from Mr. Escher, Mr. Hopkins stated that the Authority’s approval for a negotiated sale generally has an expiration of one –year, plus a few months if needed; the two years that have passed since Princeton’s approval seemed longer than acceptable. The Authority did not, however, collect fees again from Princeton, since they had paid upon submittal of their first request.

Ms. Stokley moved to approve the use of a negotiated sale on behalf of Princeton HealthCare System. Mr. Conroy seconded. Mr. Escher voted yes, Ms. Rodriguez voted yes, Ms. Kralik voted yes, Mr. Conroy voted yes, and Ms. Stokley voted yes. The motion was carried.

AB RESOLUTION NO. JJ-55

(attached)

RFP FOR CONSULTANT TO REVIEW HEALTH CARE SERVICES IN HUDSON COUNTY

Mr. Fillebrown reminded the Members that in late December 2009, the Department of Health and Senior Services awarded more than \$40 million in Stabilization Grants to nine hospitals where financial issues raised concerns about access to needed services. Three hospitals in Hudson County each received \$7 million: Jersey City Medical Center, Christ Hospital in Jersey City, and Hoboken University Medical Center.

Seeing three hospitals so close to each other all in need of financial assistance prompted the Department to think there may be an excess of capacity and/or a duplication of services in the area. As a condition of the grants, the Department required each of the three hospitals to allocate \$200,000 towards hiring a health care consulting firm to evaluate the current inventory of health care services in the primary service area of these hospitals.

The purpose of the analysis will be to determine whether there is in fact an overlap in services and unused capacity and also to propose a recommendation for consolidation or reorganization of services if applicable. The consultant would be required to provide a report to the Commissioner of Health and Senior Services by June 1, 2010. To allow the firm as much time as possible to complete the report, the Authority was asked to prepare and distribute a Request for Proposals (“RFP”) and select a consultant from the responses. The hospitals then, as a condition of the grants, are required to pay the Authority \$200,000 to cover the costs of the consultant.

The proposed RFP reflects input from the Department and all three hospitals. The RFP will be distributed either Friday or Monday of next week and responses would be due back by February 8, 2010. This allows staff time to review the responses and return to the Authority’s February meeting with a recommendation for the engagement. The RFP would be delivered directly to the Authority’s “Workout List” and notice would be published on the State’s Business Opportunities website as well as the Authority’s website.

Mr. Conroy moved to approve disseminating the proposed RFP for a consultant to review healthcare in Hudson County, as recommended by staff. Ms. Kralik seconded. Mr. Escher voted yes, Ms. Rodriguez voted yes, Ms. Kralik voted yes, Mr. Conroy voted yes, and Ms. Stokley voted yes. The motion was approved.

AB RESOLUTION NO. JJ-56

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves disseminating the proposed RFP for a Consultant to review health care in Hudson County.

HIRING A HEALTH INFORMATION TECHNOLOGY GRANT ADMINISTRATOR

Mr. Hopkins reminded the Members that on October 16, 2009, the State filed its formal application for a portion of the \$564 million available in federal funding for the State Grants to Promote Health Information Technology and Implementation Projects available under the

American Recovery and Reinvestment Act of 2009 (the “ARRA”). The State expects to receive approximately \$11 million if the application is successful. The Authority will be the State Designated Entity for receiving, distributing, monitoring and reporting on the grant funds as well as insuring compliance with the ARRA.

In order to fulfill this role, the Authority will need to hire an additional staff member with expertise in Health Information Technology. The position will be titled Project Manager for Health Information Technology and will be responsible for reviewing, reporting on and confirming the appropriateness of the expenditure of the grant funds. The State’s Health Information Technology Commission supports the creation of this position. Governor Christie’s transition team has also been informed of the need for this position. The Project Manager for Health Information Technology position is expected to be funded by the remainder of the Health Information Technology Commission’s largely untapped statutorily-dedicated \$1 million budget funded by the fines and penalties assessed by the Department of Banking and Insurance.

Staff is seeking the Members’ approval to post and interview for the position. The position would not be filled until the grant is awarded. The posting includes a statement that the position may only last as long as the grant funds are being distributed, which is expected to be four years. A proposed job description was provided with the materials sent to you in preparation for this meeting. Please let me know if you have any questions.

Ms. Kralik asked about the \$1 million budget and how that figure was decided. Mr. Hopkins stated that very little of the \$1 million dedicated to the Health Information Technology Commission was used. Those funds were verbally promised to the Authority in pursuit of this project since the funds are dedicated to this task. Staff would be following up to ensure that the Commission has since voted upon transferring those funds to the Authority. Staff also explained that the hiring needs to be done soon since the federal funds are expected to be distributed in the near future, and the Authority will need to demonstrate that it has the expertise on staff to perform this role.

Mr. Conroy moved to approve posting and interviewing for the position. Ms. Kralik seconded. Mr. Escher voted yes, Ms. Rodriguez voted yes, Ms. Kralik voted yes, Mr. Conroy voted yes, and Ms. Stokley voted yes. The motion was approved.

AB RESOLUTION NO. JJ-57

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves posting and interviewing for a Project Manager for Health Information Technology.

MODIFICATIONS TO THE QUALIFIED BANKERS LIST

Lou George reported that Duncan-Williams, Inc. requests to be added to the list of approved Authority bankers as a Co-Manager. Duncan-Williams is a woman owned investment banking firm with 40 years of experience. It’s headquartered in Memphis, Tennessee with offices in Jersey City and a recently acquired office in Philadelphia. The acquisition of the Philadelphia office provided the firm with investment banking expertise in healthcare and higher education. This is a sector in which the firm had not previously been involved

Denis Carlson is the Senior Vice President at Duncan-Williams and he would be responsible for serving the Authority needs on a day-to-day basis. He had been a principal at the firm of A.H. Williams and managed the Public Finance Department at Commerce Capital Markets prior to his joining Duncan-Williams. Because of the firm’s recent entry into the health care sector, they have not served as a co-manager on any health care transactions. Nevertheless,

because of Mr. Carlson's experience in health care financings, staff recommended the inclusion of Duncan-Williams, Inc. on the Authority's list as a co-manager.

Ms. Stokley moved to approve adding Duncan-Williams, Inc. to the Authority's qualified bankers list as a co-manager. Mr. Conroy seconded. Mr. Escher voted yes, Ms. Rodriguez voted yes, Ms. Kralik voted yes, Mr. Conroy voted yes, and Ms. Stokley voted yes. The motion was approved.

AB RESOLUTION NO. JJ-58

NOW, THEREFORE, BE IT RESOLVED, that the Authority added Duncan-Williams, Inc. to the Authority's qualified bankers list as a co-manager.

2010 DEBT MANAGEMENT PLAN

Lou George stated that Executive Order No. 26 requires the preparation of an annual debt management plan and its submission to the Treasurer. The Authority's plan for 2010 reflects the financings completed during 2009 and identifies eight financings anticipated for 2010. The summary statistics erroneously reflected seven financings which was an error. At this point, Public Member Ulysses Lee called into the meeting.

Mr. George stated that five of the financings listed include a description of the specific project, the issue size, the security or anticipated rating and the proposed method of sale. For these five, the plan also provides the quarter during which the sale is expected to occur. Also included are three projects that may materialize but at this point are only verbal indications of interest. The proposed plan excludes Capital Asset Program (CAP) loans, since these transactions do not involve the issuance of new debt.

As in prior years, the total volume for 2010 is subject to change, depending upon market conditions and borrower preferences.

Mr. Conroy asked if this plan had been presented to the transition team. Mr. George stated that much of this information (including the five anticipated projects for 2010) has been relayed to them in the form of a Project Management Summary.

Mr. Escher asked how familiar David Reiner, the new Authorities Unit representative, is with the bond business. Mr. Hopkins stated that in a telephone conversation, Mr. Reiner admitted that he has no professional bond experience, to which Mr. Hopkins offered to meet with the representative to explain about the bond market and process.

Mr. Conroy moved to approve the proposed plan and submit it to the Treasurer. Ms. Stokley seconded. The vote was unanimous and the motion carried.

AB RESOLUTION NO. JJ-59

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves the Authority's 2010 Debt Management Plan and authorizes staff to submit the plan to the Treasurer.

AUTHORITY EXPENSES

Mr. Escher referenced a summary of Authority expenses and invoices and then Ms. Stokley offered a motion to approve the bills and to authorize their payment; Mr. Lee seconded. The vote was unanimous and the motion was approved.

AB RESOLUTION NO. JJ-60

WHEREAS, the Authority has reviewed memoranda dated January 10, 2010, summarizing all expenses incurred by the Authority in connection with FHA Mortgage Servicing, Trustee/Escrow Agent/Paying Agent fees, and general operating expenses in the amounts of \$205,598.44, \$62,535.12 and \$33,898.20 respectively, and has found such expenses to be appropriate;

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby approves all expenses as submitted and authorizes the execution of checks representing the payment thereof.

STAFF REPORTS

Mr. Escher thanked staff for the Project Development Summary, Cash Flow Statement, Year-End Budget Report, and Legislative Advisory. Mr. Hopkins then presented his Executive Director's Report, which stated the following:

1. During the adoption of the 2007 budget it was agreed that the Authority would annually raise the cap upon which it collects its annual fee commensurate with the increase in the average CPI-U of New York and Philadelphia rounded to the nearest million. This cap would also apply to the initial fee of 2.5 basis points approved during the discussions of the 2009 budget. The 2009 Consumer Price Index for all Urban Consumers in the New York area increased 0.442%, while the Philadelphia area decreased 0.376%, which results in an average increase of 0.0435%. Because the increase was so small and the Authority round to the nearest million, the initial fee and annual fee will continue to be capped at \$88,000,000.
2. On December 22nd, the Department of Health and Senior Services announced the award of \$40 million in Hospital Stabilization Grants. As a result of legislation created from the Reinhardt Commission's recommendations, the grants are given to financially distressed hospitals in order to maintain health care access in communities where services are threatened. The recipient hospitals are:
 - St. Mary's Hospital in Passaic, \$9.5 million;
 - Jersey City Medical Center, \$7 million;
 - Christ Hospital in Jersey City, \$7 million;
 - Hoboken University Medical Center, \$7 million;
 - Newark Beth Israel Medical Center, \$4 million;
 - East Orange General Hospital, \$2.5 million;
 - Raritan Bay Medical Center in Perth Amboy, \$1 million;
 - Saint Clare's Health System in Boonton, \$1 million; and,
 - Trinitas Regional Medical Center, \$1 million.

The grants come with a number of conditions including, for the Hudson County hospitals, the consultant's study administered by the Authority discussed previously.

3. In hospital news, Alexander J. Hatala, president and CEO of the Lourdes Health System and a leader of Catholic Health East New Jersey, was recently installed as chairman of the New Jersey Hospital Association. Other officers include: Vice Chairman Audrey Meyers of Valley Health System; Secretary

Stephen K. Jones of Robert Wood Johnson University Hospital; Treasurer Joseph P. Coyle of Southern Ocean County Hospital; and Chairman-elect Thomas Biga of Clara Maass Medical Center.

Liberty Health System signed a contract to sell Meadowlands Hospital to MHA, LLC, a for-profit health care company that intends to maintain the facility as an acute care hospital. Liberty is the parent organization of Jersey City Medical Center. MHA is headed by William Vazquez, a former vice president of business development at Newark Beth Israel and former chief administrator at St. James Hospital in Newark. The sale is subject to regulatory approvals.

Meridian Health System and Southern Ocean County Hospital completed their merger at the beginning of this year. SOCH joins Meridian's other hospitals: Jersey Shore University Medical Center, K. Hovnanian Children's Hospital, Ocean Medical Center and Riverview Medical Center. Meridian is also in the process of seeking regulatory approval for the takeover of Bayshore Community Hospital.

St. Mary's filed its reorganization plan late last month without significant objection. The Authority filed a vote to accept the plan which will provide for the full principal and interest payment due on March 1st, 2010 and will subsequently provide for principal interest payments of \$2.2 million a year for the following 29 years. The amount due on the bonds is \$3.7 million a year for the next 18 years. The \$1.5 million shortfall in the first 18 years is expected to be paid by the State, subject to appropriation, pursuant to its agreement to back the bonds under Hospital Asset Transformation Program. The Authority will also be one of three trustees overseeing the sale of 211 Pennington Avenue. The other two trustees will be a representative of HFG, St. Mary's exit financing lender, and Michael Sniffen, President and CEO of St. Mary's. The bankruptcy court is scheduled to consider confirming St. Mary's reorganization plan on February 2nd. If the plan is confirmed that day St. Mary's could emerge from bankruptcy by mid to late February. In addition to a \$9.5 million Hospital Stabilization Grant from the State, St. Mary's also received a \$950,000 federal grant for equipment.

4. In Authority news, the Authority welcomes Osato Chitou, who is doing an internship this semester at the Authority through a Governor's Executive Fellowship from Rutgers' Eagleton Institute of Politics. Ms. Chitou is scheduled to graduate this May with a law degree from Rutgers Newark. She has a Masters in Public Health from the University of North Carolina – Greensboro and a Bachelors in Biological Anthropology from Boston University. Until recently, Ms. Chitou had been working on preparing a summary of the health care bills in the House and Senate for the Authority. Among other assignments, she will also be working with Suzanne Walton on the Princeton HealthCare System financing.

Unfortunately, according to the Attorney General's office, Dr. Simon Samaha, nominated by Governor Corzine to serve as an Authority Member, is unable to serve due to the statutory prohibition on officers or employees of health care organizations serving as Authority Members. Dr. Samaha is the President and Chief Executive Officer of Summit Medical Group, a multi-specialty physicians practice group. "Health care organization" is defined in the Authority's enabling statute to include physician practices.

Mae Jeffries Grant, the Authority's long-time Administrative Assistant in the Project Management Division, applied for disability retirement. Since Mae started her medical leave early last year, most of her duties have been handled by a temporary worker. The Authority will now post the Administrative Assistant position to seek a full-time permanent replacement.

Susan Tonry, the Authority's Assistant Director of Research, Investor Relations and Compliance, has returned to the hospital. The leukemia has reappeared and she is preparing for a bone marrow transplant. Staff and the Members wish her well.

Jessica Waite, an Authority Assistant Account Administrator, gave birth on December 21st to a healthy 8 pound, 20 inch baby boy named Noah. Mom Jessica, father Andrew and big sister MacKenzie are all doing well. Jessica is expected back in the office on February 2nd.

Stephanie Bilovsky, the Authority's Communications Specialist, has requested a one year leave of absence in order to join her husband in Virginia, who is working on a one-year project there. The Authority will be advertising for a full-time one-year replacement for Stephanie.

Wanda Lewis, a Senior Account Administrator who was out with a serious illness for most of last year, has returned to work at the Authority. Staff is relieved to have her back and looking so healthy.

Governor Christie has nominated Dr. Poonam Alaigh to serve as the Commissioner of Health and Senior Services. Dr. Alaigh specializes in vascular diseases and lives and practices in Warren Township. She was most recently the national medical director for the pharmaceutical company GlaxoSmithKline. She also served as president of the American Heart Association, North Jersey region, and sits on the College of New Jersey's board of trustees. Dr. Alaigh graduated from the University of Delhi, New Delhi, India, and completed her residency at University Hospital, SUNY-Stony Brook.

Other Cabinet Members nominated by Governor Christie who will serve as ex officio Authority Members are Tom Considine and Jennifer Velez. Tom Considine, nominated to serve as Commissioner of Banking & Insurance, is vice president and government relations counsel at MetLife. He previously was a litigation associate at Connell, Foley and Geiser. Mr. Considine holds bachelor and law degrees from Seton Hall University. Ms. Velez, renominated to continue to serve as Commissioner of Human Services, was first appointed to served as Commissioner by Governor Corzine in 2007.

OLD/NEW BUSINESS

Mr. Escher invited the recently resigned Commissioner of Health and Senior Services, Heather Howard, to join him at the head of the table as her read a Resolution of Appreciation in honor of her work as Chairperson of this Authority. Following his reading of the resolution, Mr. Escher offered a motion to it; Mr. Conroy seconded. The vote was unanimous and the resolution was adopted.

AB RESOLUTION NO. JJ-61

(attached)

Mr. Escher presented Ms. Howard with a framed copy of the resolution as well as her Authority nameplate. Ms. Howard offered copious thanks to the Authority and stated that she holds the Authority in very high regard and commended the critical role it plays. She was proud of having further integrated the Authority and all of its tools into policy operations within the State of New Jersey, adding that the Authority has a record of which to be proud.

She also commended the appointment of Dr. Poonam Alaigh as Commissioner of Health and Senior Services, with whom she has worked closely in the past as had former Commissioner Dr. Fred Jacobs. Ms. Howard assured that Dr. Alaigh will be wonderful to work with, has incredible experience, will be a great leader and is a terrific choice by Governor Christie.

As a final note, Ms. Howard applauded the Authority and its “wonderful tools” to help New Jersey’s health care system. She asked that the Members and staff never cease to keep thinking as broadly as they have in terms of finding ways to improve health care delivery in New Jersey.

As there was no further business to be addressed, following a motion by Ms. Stokley and a second by Mr. Conroy, the Members voted unanimously to adjourn the meeting at 10:55 a.m.

I HEREBY CERTIFY THAT THE
FOREGOING IS A TRUE COPY OF
MINUTES OF THE NEW JERSEY
HEALTH CARE FACILITIES
FINANCING AUTHORITY MEETING
HELD ON JANUARY 28, 2010.

Carole A. Conover
Assistant Secretary

AB RESOLUTION NO. JJ-55

**RESOLUTION OF INTENT TO ISSUE REVENUE BONDS
BY NEGOTIATED TRANSACTION PURSUANT TO
EXECUTIVE ORDER NO. 26**

Princeton HealthCare System

WHEREAS, the New Jersey Health Care Facilities Financing Authority (the “Authority”) was duly created and now exists under the New Jersey Health Care Facilities Financing Authority Law, P.L. 1972, c. 29, N.J.S.A. 26:2I-1 et seq., as amended (the “Act”), for the purpose of ensuring that all health care organizations have access to financial resources to improve the health and welfare of the citizens of the State; and,

WHEREAS, the Authority issues its bonds from time to time for the achievement of its authorized purposes; and

WHEREAS, on October 25, 1994, the Governor issued Executive Order No. 26 which sets forth procedures by which an issuer may determine the method of sale of bonds or notes; and,

WHEREAS, on December 8, 1994, the Authority adopted Section 2 of its policy which was developed to implement Executive Order No. 26, which requires an Authority resolution to pursue a negotiated sale of bonds; and,

WHEREAS, on March 28, 1996, the Authority amended its policy related to Executive Order No. 26; and,

WHEREAS, the Authority’s policy states that a negotiated sale of bonds will be conducted if it is determined by the Authority that it would better serve the requirements of a particular financing; and,

WHEREAS, a negotiated transaction would be permitted in circumstances including, but not limited to, the sale of bonds for a complex or poor credit; the development of a complex financing structure, including those transactions that involve the simultaneous sale of more than one series with each series structured differently; volatile market conditions; large issue size; programs or financial techniques that are new to investors; or, for variable rate transactions; and,

WHEREAS, Princeton HealthCare System has entered into a Memorandum of Understanding with the Authority to pursue a revenue bond financing (the “Financing”); and,

WHEREAS, Princeton HealthCare System has requested that the Authority consider approving the pursuit of a negotiated sale; and,

WHEREAS, the Financing could be considered a complex or poor credit; and,

WHEREAS, the proposed issue size could be considered large; and,

WHEREAS, market conditions could be considered volatile; and,

WHEREAS, Princeton HealthCare System is considering the issuance of variable rate bonds for all or a portion of the Financing; and,

WHEREAS, the Financing may be of a complex structure, including the involvement of the simultaneous sale of more than one series with each series structured differently; and,

WHEREAS, the Authority is desirous of being responsive to Princeton HealthCare System's request; and,

WHEREAS, the aforementioned resolution and justification in support of such resolution must be filed, within five days of its adoption, with the State Treasurer;

NOW, THEREFORE, BE IT RESOLVED, that, based upon the above findings, the Authority hereby determines that it would better serve the requirements of this Financing to conduct a negotiated sale; and,

BE IT FURTHER RESOLVED, that the Executive Director is hereby directed and authorized to transmit a copy of this Resolution and justification in support of such resolution to the State Treasurer.

AB RESOLUTION NO. JJ-61

RESOLUTION OF APPRECIATION

Heather Howard, J.D.

WHEREAS, the New Jersey Health Care Facilities Financing Authority (“Authority”) was created through the enactment of Chapter 29, Laws of New Jersey 1972, which was amended in January of 1998 to ensure that all health care organizations have access to financial resources to improve the health and welfare of the citizens of the State; and,

WHEREAS, the Authority is governed by a seven-member board, three of whom are ex-officio; the Commissioner of Health and Senior Services, who serves as chairman, the Commissioner of Human Services, and the Commissioner of Banking and Insurance; and,

WHEREAS, Heather Howard served as Policy Counsel to Governor Jon S. Corzine from January 2006 through November 2007, providing counsel on issues including health care policy; and,

WHEREAS, on November 29, 2007, Governor Jon S. Corzine nominated Ms. Howard to serve as Commissioner of the New Jersey Department of Health and Senior Services; and,

WHEREAS, on January 7, 2008, Ms. Howard was confirmed by the Senate as the 14th Commissioner of the New Jersey Department of Health and Senior Services; and,

WHEREAS, in her role as Commissioner of Health and Senior Services, Ms. Howard served as the Authority’s Chairperson for two years; and,

WHEREAS, Ms. Howard demonstrated unwavering support of the Authority’s mission to ensure that all health care organizations have access to financial resources to improve the health and welfare of the citizens of the State; and,

WHEREAS, in support of that mission, more than \$2 billion was issued on behalf of sixteen New Jersey health care organizations during Ms. Howard’s tenure; and,

WHEREAS, Ms. Howard’s support for, and participation in, the *New Jersey Commission on Rationalizing Health Care Resources* helped to identify key strategies to improve New Jersey’s health care delivery system going forward, including improving hospital quality, services and finances; and,

WHEREAS, under Ms. Howard’s guidance, many of the recommendations of the *New Jersey Commission on Rationalizing Health Care Resources* were carried out through legislation and regulations, including the creation of stabilization grants for hospitals in danger of reducing services or closing altogether, requiring training of all hospital board members, requiring annual public meetings of hospital boards, limiting prices hospitals could charge to low-income uninsured patients and creating an early warning system to monitor the financial performance of hospitals and allowing the State to intervene to prevent financial crisis; and

WHEREAS, Ms. Howard was instrumental in preserving hospital services in Passaic, Newark and Central Jersey by supporting the first issuance of bonds under the Authority's Hospital Asset Transformation Program for St. Mary's Hospital, St. Michael's Medical Center and JFK Medical Center; and,

WHEREAS, Ms. Howard was also instrumental in the creation of the Authority's direct low-interest loan program to start-up Federally Qualified Health Centers; and

WHEREAS, Ms. Howard's demonstrated strong leadership and vision preserved access to critical health care services in communities throughout the State and eased the distress caused by hospital closures, consolidations and reorganizations during times of tumult and financial difficulties in the health care industry coupled with a generally adverse economy; and,

WHEREAS, the Authority wishes to acknowledge Ms. Howard's unswerving commitment to the Authority and to the betterment of health care organizations throughout the State;

NOW, THEREFORE, BE IT RESOLVED, that the New Jersey Health Care Facilities Financing Authority hereby expresses its sincere appreciation to Heather Howard for her considerable contributions to the Authority and the citizens of New Jersey; and,

BE IT FURTHER RESOLVED, that a copy of this Resolution of Appreciation be sent to Ms. Howard as a tribute from the Authority for her service and accomplishments as the Commissioner of Health and Senior Services and as Chairperson of the Authority.